

APPROVED: Meeting No. 26-93

ATTEST: *Paula S. Jewell*

MAYOR AND COUNCIL
ROCKVILLE, MARYLAND
Meeting No. 22-93

May 26, 1993

The Mayor and Council of Rockville, Maryland, convened in Special Session in the Council Chamber, Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland, on May 26, 1993, at 7:03 p.m.

PRESENT

Mayor Douglas M. Duncan

Councilmember James F. Coyle

Councilmember Rose G. Krasnow

Councilmember James T. Marrinan

ABSENT

Councilmember Dave Robbins (on travel)

In attendance: City Manager Bruce Romer, City Clerk Paula Jewell, City Attorney Paul Glasgow and Director of Economic Development, Neal Herst.

Re: Special Session to reopen public record to receive additional comments regarding proposed RCI Agreement and to meet with members of Rockville Chamber of Commerce, Planning Commission and other interested parties.

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Upon motion of Councilmember Coyle, duly seconded and unanimously passed, the Mayor and Council reopened the public record on the Transitional and Development Agreement in order to receive a letter from Jerome Loux, dated May 24, 1993 regarding Middle Lane Lot #7.

Mayor Duncan explained the purpose for the Special Session. He said that there had been some concerns expressed that the Mayor and Council were planning to adopt the proposed Agreement between the City and RCI when there were still outstanding areas needing clarification. In addition, he noted that the Mayor and Council had received some criticism for the way in which the process had been handled; however, he said that there were over 40 different public presentations made; 1,500 letters sent; and 125 showings of the public hearing aired on Cable 53. Mayor Duncan said the City Council and staff had taken into consideration all comments received and had tried to incorporate changes where necessary. Councilmember Krasnow added that the Mayor and Council agreed that there were still some issues that needed to be worked out.

Councilmember Marrinan commented on a question raised at the 5/24/93 General Session that why the Mayor and Council could not rehab the garage. Mr. Marrinan said that some people did not realize that the Mall was in disrepair, and an engineer's estimate for fixing the garage and restoring it to the functional and safe standard of operation would cost in excess of 3.8 million dollars.

Comments were made that it would be important for the City to get the best equitable assets of the deal; the Agreement should spell out what the City hoped to get out of the proposal because if RCI defaulted, all they would have to do is pay 3 million.

City Manager Romer went through the changes that were incorporated into the Agreement to date and summarized the input and concerns received from various sources and

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resulted in rewriting of tentative language for the seven issues raised in the City Manager's 5/21/93 memo.

Jim Vitol, Chair, Planning Commission suggested it would be useful to incorporate language that embodied the City's traffic assessments and studies; he noted the Planning Commission has had very serious concerns for a long time about traffic and they felt the issue needed more definition and study. Mr. Vitol urged the Mayor and Council to put the Agreement out for public comment a second time.

Randy Slovic, President, Sierra Club expressed concern that the proposed Agreement did not offer a good enough mix of residential, office and commercial uses. Mr. Vitol responded that there would be a master plan and the City would encourage different uses but would not mandate any.

Staff was asked to get Ms. Slovic information regarding the number of residential units currently proposed.

Hariott Manley said she would like to see an architectural review done of the area and she asked how could the Mayor and Council be sure that the project did not take off on its own. Mayor Duncan responded that was where City staff and the Planning Commission got involved.

Helen Heneghan, President of Rockville Chamber of Commerce said it was a concern of the Chamber about how much would be involved in soft costs for the City to implement the Agreement. She also asked who would be paying for the streets.

Mr. Romer explained that the whole concept of soft costs would likely come out of

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the Agreement and would be replaced by money going to the project. Regarding the streets, Mr. Romer said that nothing in the Agreement was construed to mean that the City would pay more than 6 million. He offered to highlight this language in the document for Mrs. Heneghan.

City Attorney Glasgow noted that there was tentative language in the Agreement to get RCI to transfer its interests in the mall to the City.

Sima Osdoby, President, Peerless Rockville commented that she would feel better if the City had someone working on the Agreement who was more removed from the project (i.e., a consultant) to take a legal look at the Agreement. Mayor Duncan responded that the only person he would feel comfortable with to do the type of review suggested by Ms. Osdoby, would be Roger Titus. Mr. Duncan noted that it was important that a person would have to have a history of downtown Rockville and he said that City Attorney Paul Glasgow possessed the history and the experience needed.

Hariott Manley commented that it would be helpful to have a business group review the Agreement as well. She asked if the Mayor and Council would explore the issue of a letter of credit or a bond in case of default by RCI. Mayor Duncan noted that the City did not require bonds for private property.

Alice Kelly, Chair, Historic District said the idea of requiring RCI to post bond would ensure that default did not happen. Ms. Kelly then commented on a point raised earlier and said that if RCI did not perform, the City received the valuable land. Ms. Kelly also said that the project had to be market driven--the City got into trouble before by mandating what had to be built on the site and the result of that mandate was an unsuccessful mall.

Mr. Vitol commented that the Mayor and Council should not let RCI buy its way out of getting the property back. He noted that page 40, Section VII should be deleted from the Agreement.

The Mayor and Council agreed with a suggestion made by Ms. Osdoby that the Mayor and Council distribute a final draft of the Agreement with a summary of the changes made. The final draft would be put out for a short review period, e.g., 10 days. In addition, staff was asked to prepare a presentation to be broadcast over Cable 53 on what the project entailed.

Mr. Vitol pointed out another reference to soft costs on page 33, (Sec. 10.102) and he questioned whether there should be a minimum noted. Mr. Glasgow responded that this could be changed.

Mayor Duncan thanked Mrs. Heneghan for recommending that this meeting take place to answer questions and provide a forum for clarifying the remaining issues.

Re: Adjournment

There being no further business to come before the Mayor and Council, the meeting was adjourned at 8:47 p.m. to convene again in General Session on June 14, 1993, or at the call of the Mayor.